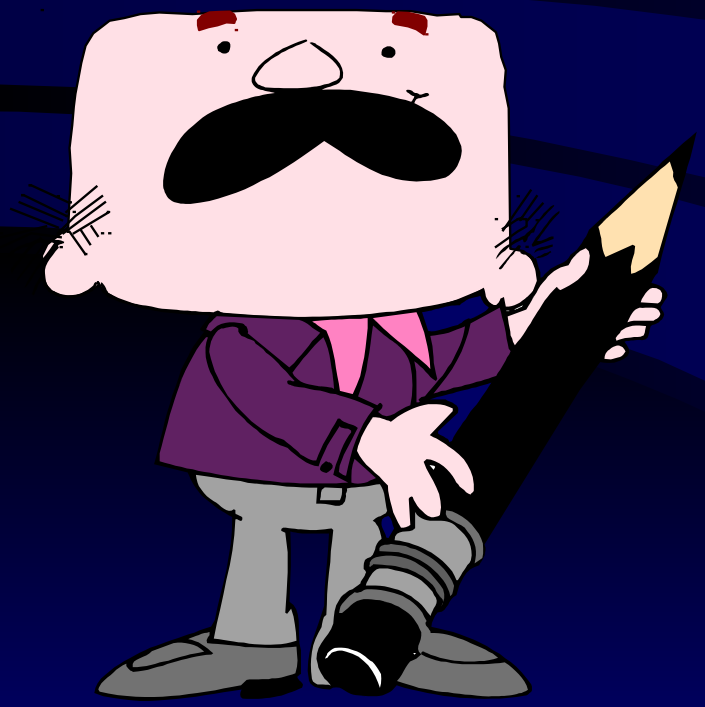
MARKET RESEARCH AND COMMERCIALITY DETERMINATION



Pam DeMaught
AMSFS-GC
Ext. 27287

FAR

Part 10 Market Research

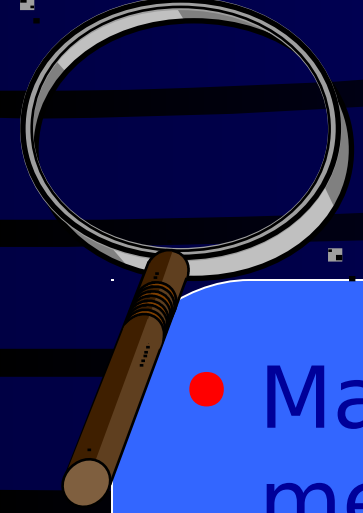
Part 11 Describing Agency Needs

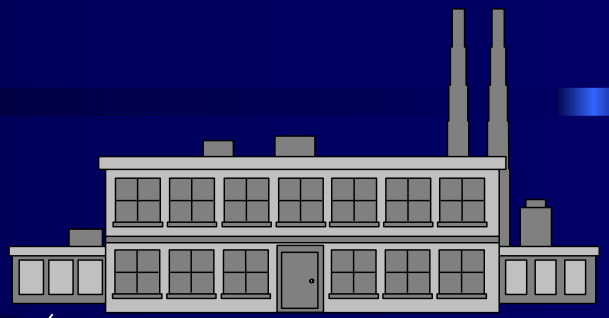
Part 12 Acquisition of Commercial Items

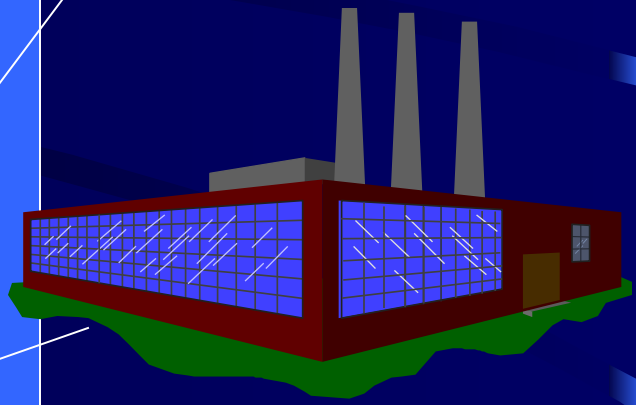
Commerciality Determination

Market Research Definition

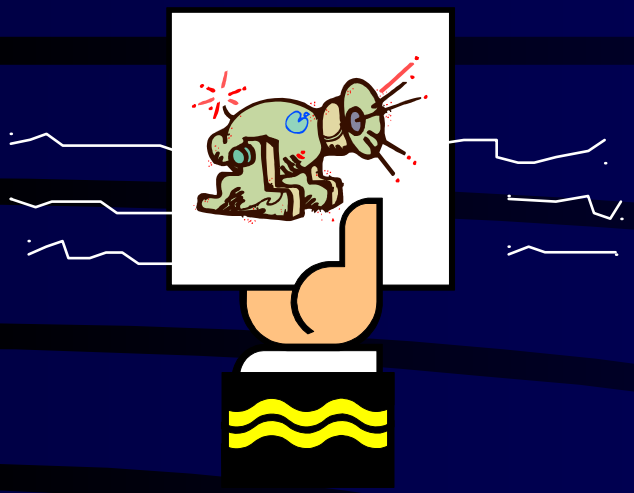
- Market Research means
  - collecting & analyzing information about the capabilities within the market to satisfy agency needs







Skills Required to Perform Market Research



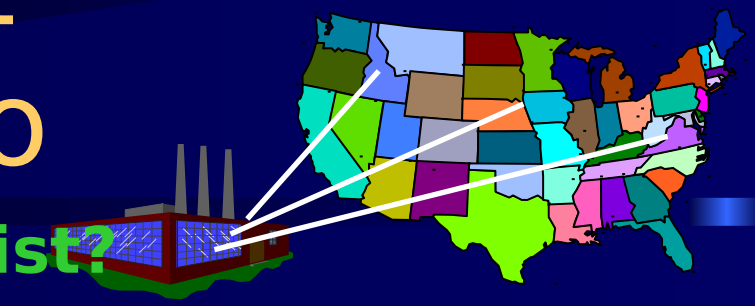
- **Knowledge of the marketpla**
- **Trust in the marketplac**
- **Team building team member**
- **Decision-making**

Marketplace Meets Need

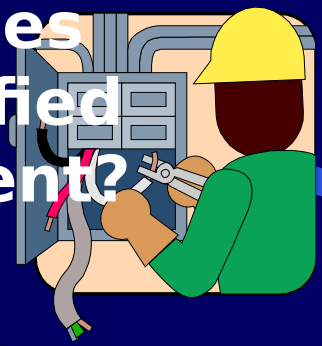
Use Market Research to determine

Why?

Capable sources exist?



Commercial services can meet/be modified to meet requirement?



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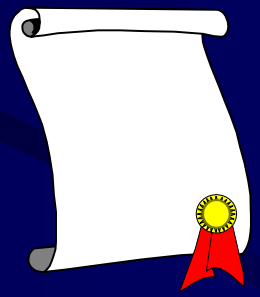


Modify requirement?

Market practices, forces?

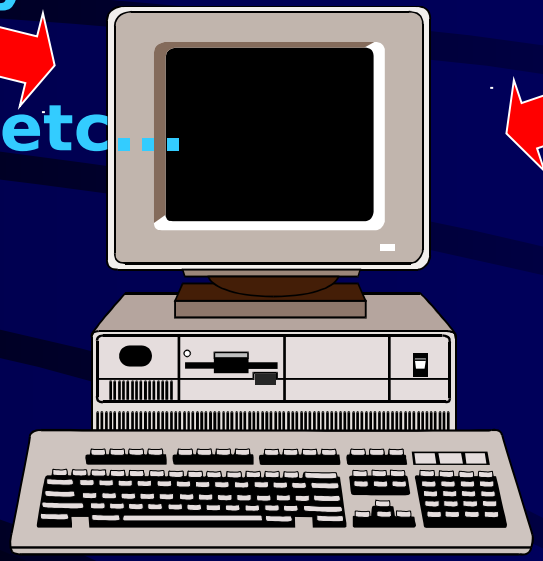
Market terms & conditions?

Market Research

What? Collect information on

Desirable services, products, technolog

Terms such as warranty, buyer financing, discounting, etc…



Customizing, modifying practices

Laws & regulations unique to the item

Product/servic attributes

Size & status of potential sources

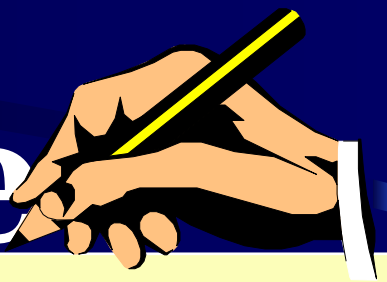
Distribution & support capabilities of suppliers

When?

Market Research

The first step

Before



- **Developing new requirements documents**
- **Soliciting offers estimated to exceed Simplified Acquisition Threshold (SAT)**
- **Soliciting offers**

Market Research

FAR Part 7: "Agencies shall … conduct market r for all acquisitions …."

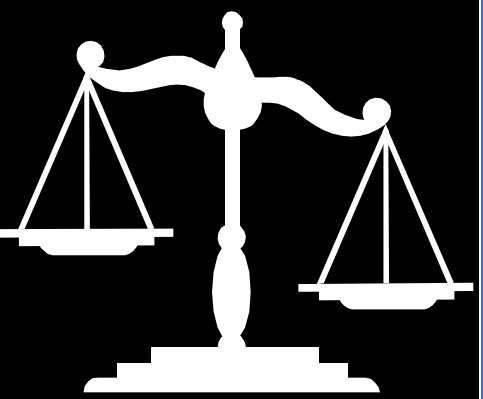
FAR Part 10: "Agencies shall … conduct market r appropriate to the circumstances, … a use market research to ---."

FAR Part 11: "Agencies shall specify needs using research …."

YOU

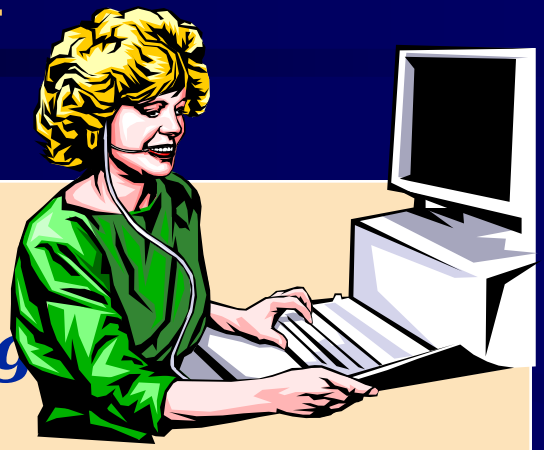
Market Research

- Who are the players?
  - Technical Developer
  - Logistics Specialist
  - Testing Specialist
  - Legal Counsel
  - Contracting Officer
  - User



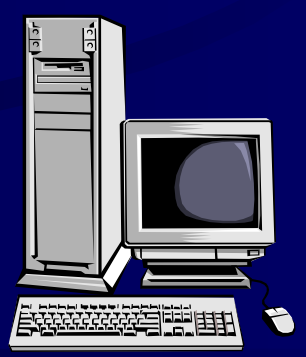
How?

Market Research Techniques



- ***Contacting knowledgeable individuals regarding capabilities***
- ***Obtaining source lists***
- ***Reviewing the results of recent market research***
- ***Querying Government data bases***
- ***Participating in interactive, on-line communication***
- ***Publishing formal requests for information***
- ***Reviewing catalogs/product literature***
- ***Conducting interchange meetings or***

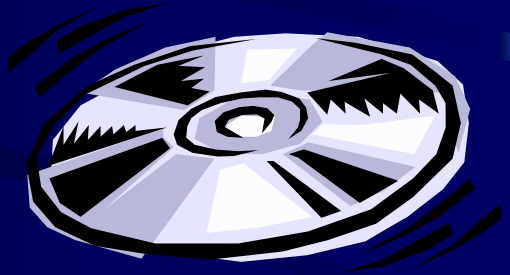
Market Research Information Sources



Surveillance (An ongoing function -- Should not be dependent on requests for information) Accomplished by:

Trade Journals
Manufacturer Catalogs

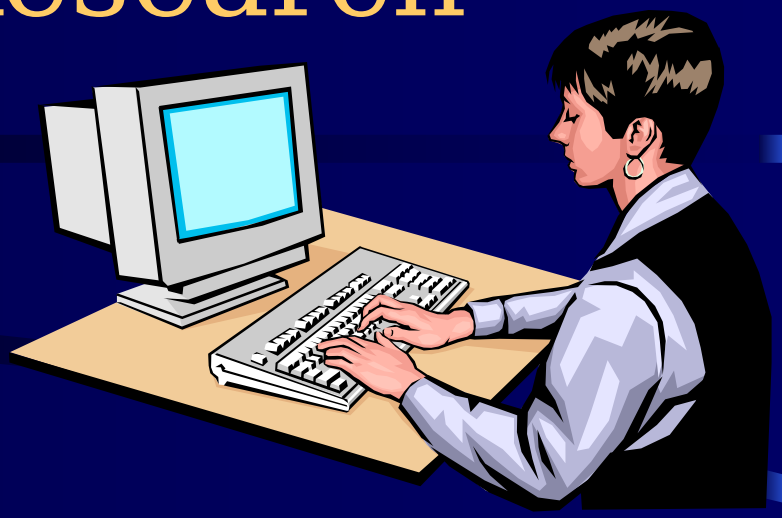
Investigation (Determine, with a high degree of confidence, what technology or products can satisfy user needs)



On Line Product Information
Catalog Systems
Professional Associations
On Site Inspections
Requests for Information
Test Reports

Market Research

How Much?



Urgency?

Estimated $$$$ value?

Complexity?

Past experience?

Extent of research may vary depending upon the above factors

Market Research Policy

"When conducting market research, agencies should not request potential sources to submit more than the minimum information necessary."

FAR 10.001(b)

Requirements Analysis

Key Characteristics:

- ***What** does the yet to be identified item have to do?*
- ***How** well does it have to do it?*
- ***Where** will it be used?*
- ***Under what** conditions will it be used?*
- ***How** often? **How** long?*
- ***Who** will use it?*

Schedule

Quantity

Market Research: ***identifying the attributes of existing products, processes, & services that may meet a need, and the associated commercial business practices.***

Describing Agency Needs: ***identifying the characteristics that product, process, o service must posses to meet a need.***

Market Research – Describing Agency Needs

DEFINITIONS

Describing Agency Needs

Commerciality Determinati

CI

NDI

ND

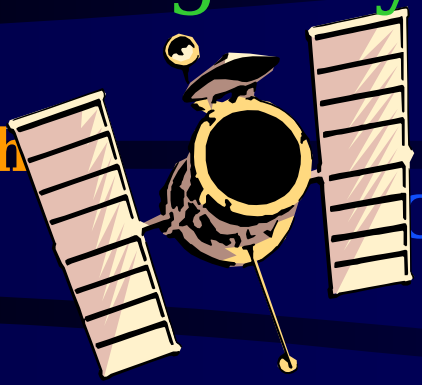
CD – Commercial Item

NDI – Nondevelopmental Item

ND – New

MARKET RESEARCH

Market Research: Describing Agency Needs



Market Research Surveillance

Nongovernment Standard
Commercial Item Description
Performance Specification
Detailed Specification

Requirements Analysis

Requirement

Need

Commerciality

Determination

Solicitation

Directed

Directed

Directe

Market Research Investigation

How to State Requirements

State requirements in terms of

- functions to be performed (What)

- performance required (How Well); or

- essential physical characteristics (Environment/Interfac

CID or PRFSpec

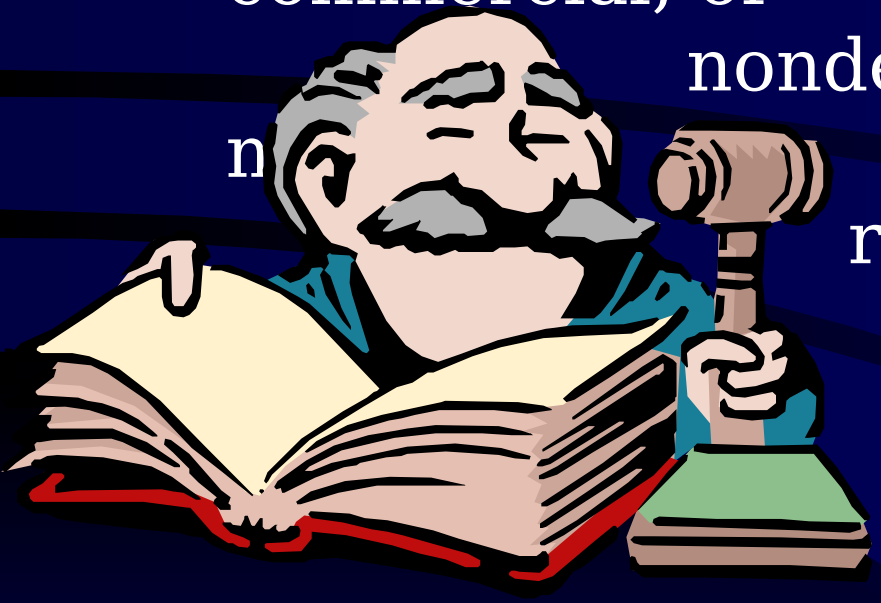
Define requirements in terms that

- encourage *commercial* items (first choice); or

- nondevelopmental items (second choice)

How to State Requirements

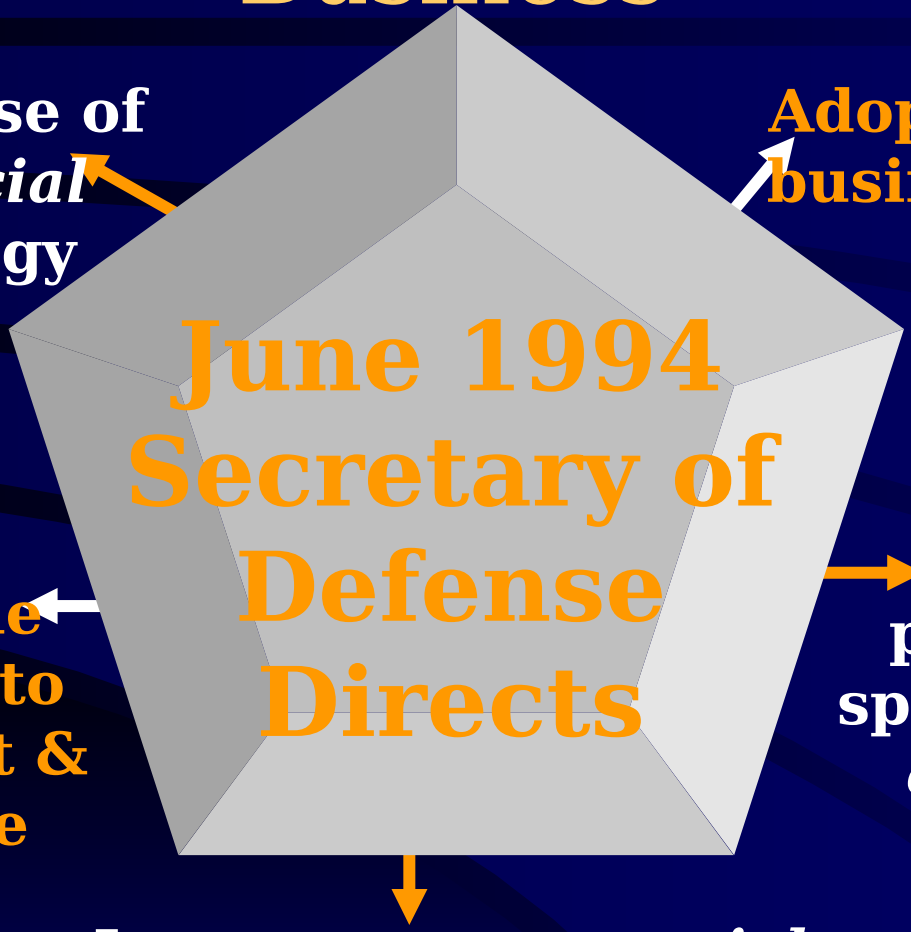
Restate requirements in appropriate cases to ensure ***commercial***, modified commercial, or nondevelopmental items can n requirements



Challenge Unique Requirements

Require prime contractors and subcontractors to **incorporate *commercial*, modified commercial, or nondevelopmental items as components**

Commercial Items
Policy - A New Way of Doing Business



Increase use of *commercial* technology

Adopt World Class business practices

Depend on performance specifications & *commercial* standards

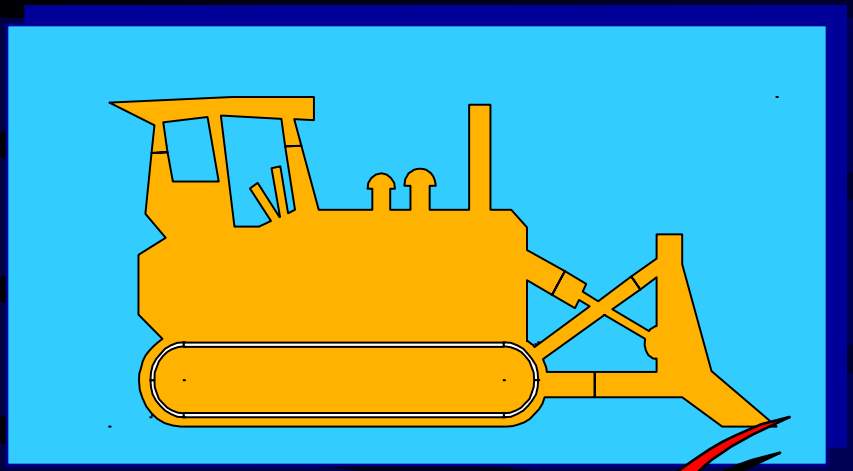
Integrate *commercial* & military industrial bases

Streamline processes to reduce cost & cycle time

Commercial Item Definition

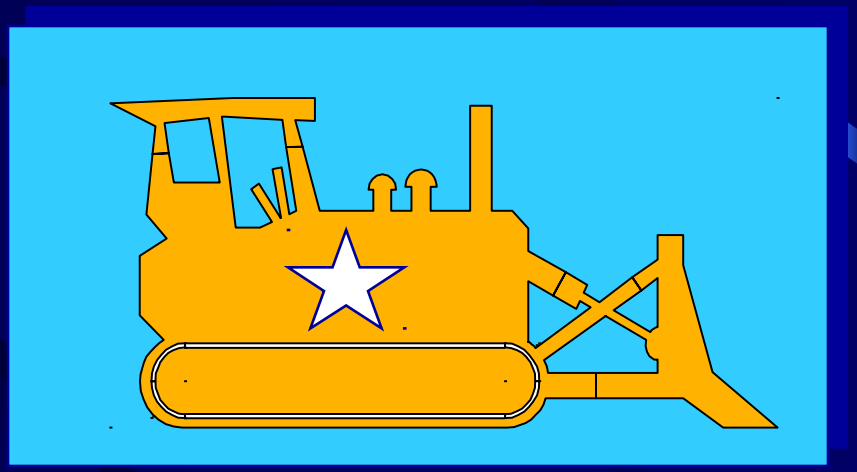
- Product or service sold to the general public for non-governmental purposes
- New technology EVEN if it's not yet in the commercial market (as long as it will be available to meet the government's solicitation requirements.
- Anything that meets 1 or 2 above with customary commercial modifications. (Minor modifications do not significantly alter the function or physical characteristics of the item.)

Benefits – Acquisition of Commercial Items



- Streamlined process
- Increased competition
- Reduced paperwork

- Increased industry participation
- Empowerment!



What is a "Commerciality Determination"?

It is a result of market research conducted by the cognizant Integrated Product Team (IPT) during the course of solicitation development. The intent is to determine if a commercial (CI), modified commercial, or non-developmental (NDI) item exists that meets the agencies' need. The results of the determination are documented in the contract file by a memorandum stating the findings.

Additional reference: FAR part 10

Commerciality Determination

Market Research

Requirements Analysis

Product Attributes

Delivery Capability

Productn Capability

Commercial T & Cs

Functions

Schedule

Quantity

Key Characteristic

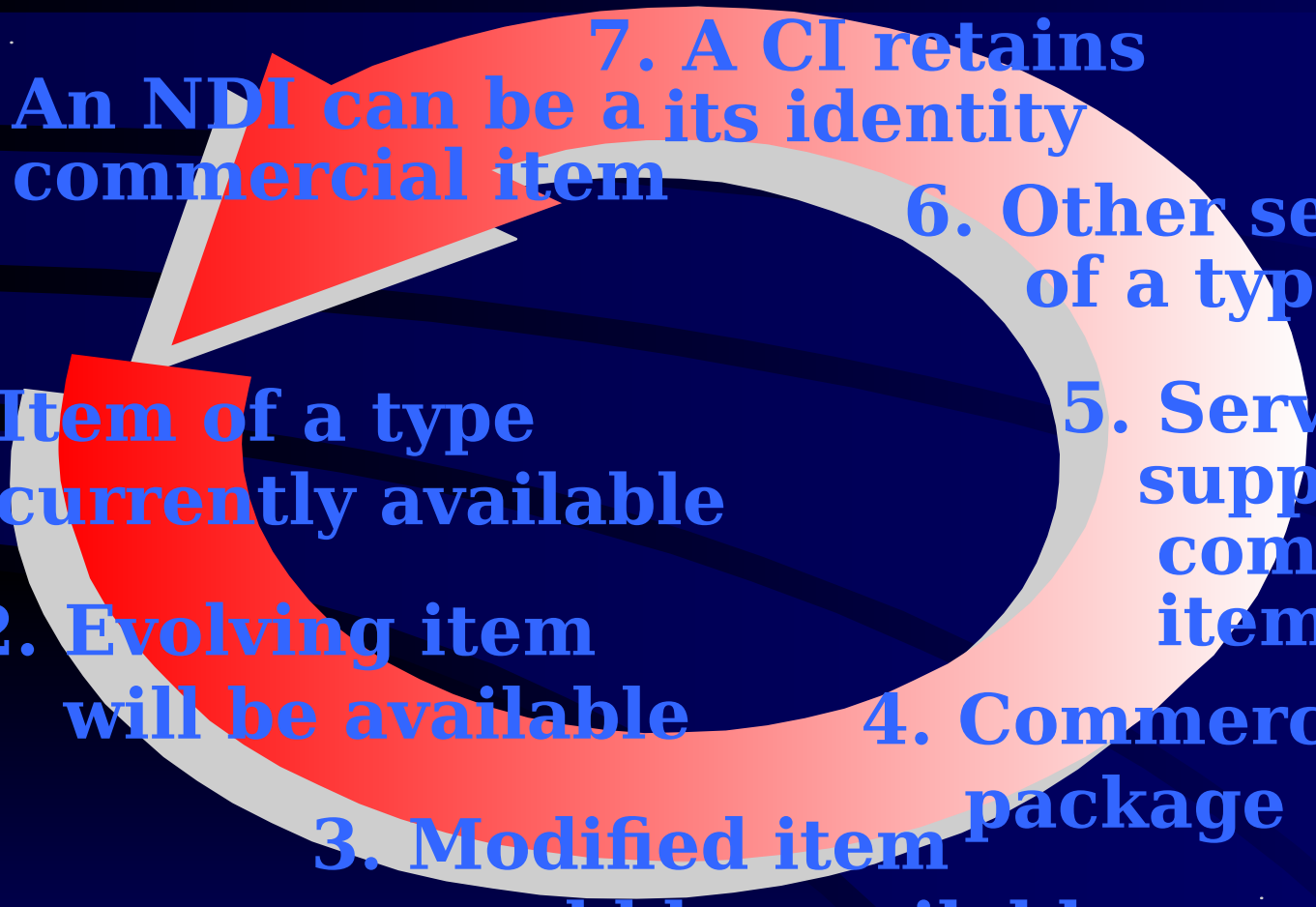
Delivery Schedule

Total Quantity

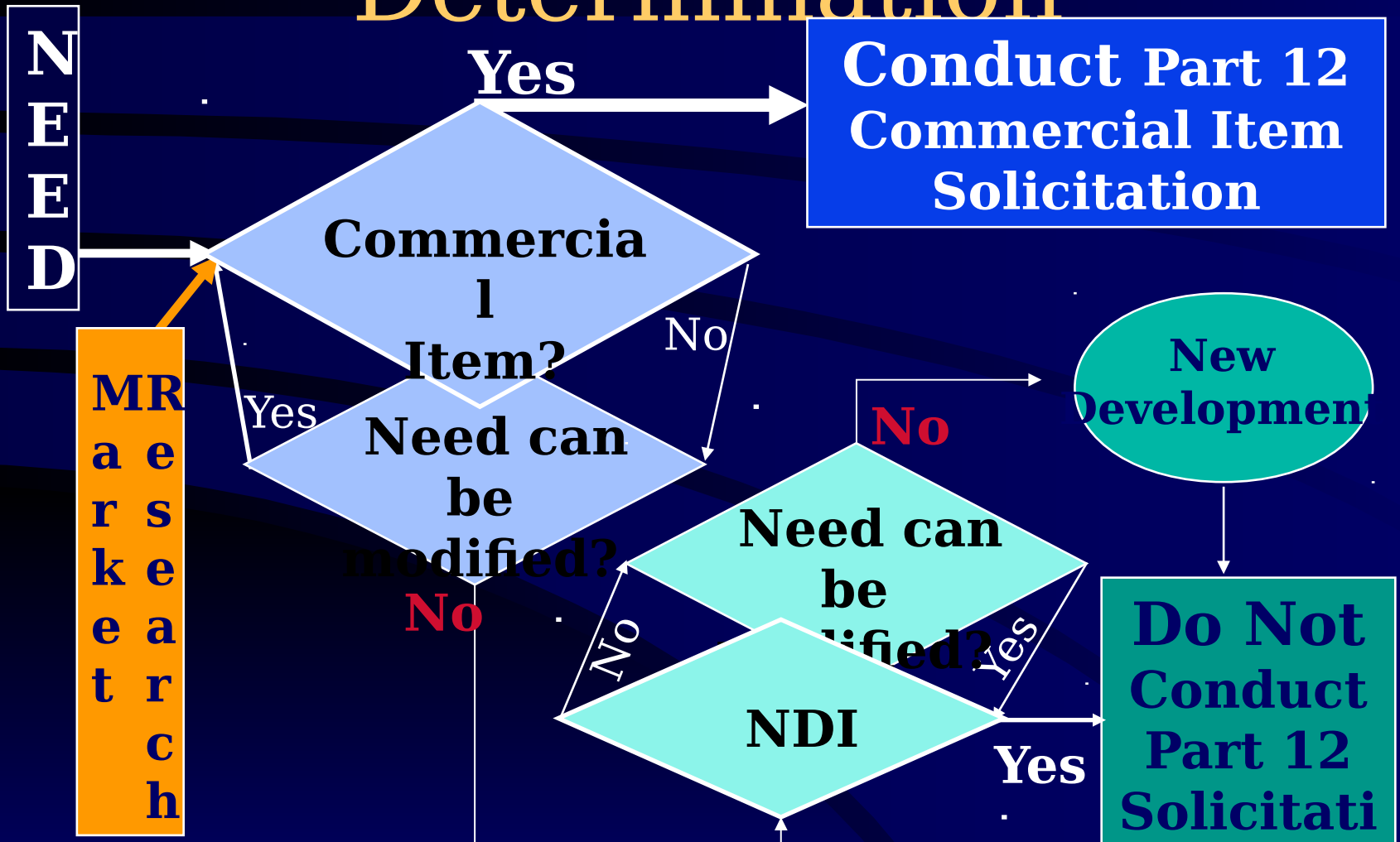
Contents of Commerciality Determination Summary

- Item
- Results of the A-IPTs Market Research
- How the A-IPT complied with the “Army Implementation Plan for the Blueprint for Change”. Was a PARC waiver granted verifying use of a performance specification or non-Gov’t standard would not meet the customer’s need, nor would it be cost-effective or practicable?
- Conclusion: That the A-IPT performed Market Research and requirements analysis pursuant to FAR Parts 10, 11, and 12 concluding this particular acquisition is not commercially available.

Commercial Item Definition Summary


1. Item of a type currently available
2. Evolving item will be available
3. Modified item would be available
4. Commercial item package
5. Services in support of commercial items
6. Other services of a type
7. A CI retains its identity
8. An NDI can be a commercial item

Roadmap to the Commerciality Determination



Uncle Sam wants YOU

to BUY COMMERCIAL!!!!